



Mike Kadas  
Director

## Montana Department of Revenue

SENATE TAXATION

EXHIBIT NO.



2-15-2013

240

Steve Bullock  
Governor

February 11, 2013

To: Senator Art Wittich  
Senate District 35

From: Lee Baerlocher  
Bureau Chief

RE: Senate Bill 240 - Pollution Control Equipment Information

We received your request for information from Jaret Coles regarding pollution control equipment.

We understand your first question to be: "How much revenue is currently collected for pollution control equipment by the state?"

In FY 2013 the estimated total taxes assessed on pollution control equipment was \$3,780,000. Of this amount the states portion would be \$1,186,000.

Your second question was: "How much would the tax be on the Ash Grove equipment?"

In review of the SB 240 hearing testimony, Ash Grove stated that they have installed approximately \$14,000,000 of pollution control equipment. Assuming no local abatement and that the \$14,000,000 qualifies as pollution control equipment, the tax would be approximately \$254,800. The state's portion would be \$41,500. The department's estimate of their total property tax bill including existing property and the new pollution control equipment is \$658,900 of which the state's portion would be \$105,400.

Finally, we understand that you asked if there are any statutes other than 15-24-1402, MCA that allows local government to abatement all of the pollution control equipment taxes. Just to be clear, 15-24-1402, MCA does not allow for the total abatement of market value or taxes. 15-24-1402, MCA allows for a partial reduction in the tax rate over a 10 year period. We are not aware of any other local abatements available, besides 15-24-1402, MCA.

If you have any questions please feel free to contact me at (406) 444-3587.